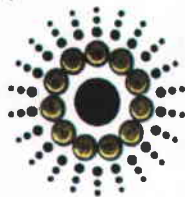


0033



ANDALEX
RESOURCES, INC.

P.O. BOX 910
EAST CARBON, UTAH 84520
PHONE (435) 888-4000
FAX (435) 888-4002

C/007/019 Incoming

#3409

ok

Utah Division of Oil, Gas & Mining
Coal Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

October 1, 2009

Attn: Daron Haddock
Permit Supervisor

RE: Andalex Resources, Inc., C/007/019
Tower (Centennial) Mine
Response to Mid-term Review
Task 3276

Dear Mr. Haddock:

Enclosed are six (6 ea.) copies of the response to the mid-term review, Task 3276. In reviewing this response please note the following:

Most of the changes involve amendments to Appendix X, which deals strictly with the Gob Gas Vent Holes ("GVH"). Since the time the review letter was initially submitted, we have begun reclamation on two of the GVH sites, namely GVH 1 and GVH 5. We expect full reclamation to be complete within two weeks, by mid-October. All other GVH sites are currently under the commercial terms of the operating agreement with Oso Energy Resources Corp. which has existing gas rights and surface agreements with the area landowners.

Changes to the main body of the MRP outside Appendix X are limited to routine updates to the Ownership & Control and the Violation Information appendices.

Included in this submittal, although not an amendment to the MRP, is copies of various correspondence with MSHA and BLM regarding the temporarily idle status of the mine.

Also, as a matter of clarification, please note that Musk Thistle (*Carduus nutans*) is presently being removed from all GVH sites and will be disposed of at a suitable location, such as ECDC.

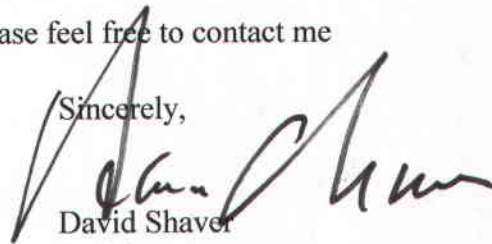
Also of note, the water monitoring well (Well #1) at the Tower minesite has been totally cleaned out and a new pump has been installed. The well is now again functioning properly as a ground water monitoring station, and samples were recently taken as part of the 3rd quarter monitoring.

File in: *C/007/0019-2009 Incoming*
Refer to:
☒ Confidential
☒ Shelf
☒ Expandable
Date: *10/01/09* For additional information

Daron Haddock, DOGM
October 1, 2009
page 2

Should you have any questions regarding this issue, please feel free to contact me

Sincerely,

A handwritten signature in black ink, appearing to read "David Shaver", written over the printed name.

David Shaver
Resident Agent

APPLICATION FOR PERMIT PROCESSING

Permit Change ☐New Permit ☐Renewal ☐Transfer ☐Exploration ☐Bond Release ☐

Permit Number: 007/019

Title of Proposal: Response to mid-term review, Task 3276

Mine: Centennial Project

Permittee: Andalex Resources, Inc.

Description, include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

- | | | |
|------------------------------|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice/publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Attach 3 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (7645-301-123)

Signed - Name - Position - Date

Subscribed and sworn to before me this 12th day of October, 2009.

My Commission Expires: May 16, 2012

Notary Public
STATE OF UTAH
COUNTY OF Carbon

MARY V. KAVA
NOTARY PUBLIC • STATE of UTAH
COMMISSION # 574200
COMM. EXP. 05-16-2012

Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

Permittee: Andalex Resources, Inc

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?